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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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01/09/2006

A & R LEASING LLC
688 E CHAD RANCH RD
VEYO UT 84782 -4141

Re: Request for Annual Report for the Year 2005.

Dear Operators:

This letter is to remind you that annual reports are required by Rules R647-3-116 and R647-4-121 of the Division's Minerals Reclamation Program. The report forms (MR-AR) can be found on the Divisions web page www.ogm.utah.gov/minerals/mineralforms.htm. If you would like a form sent to you, please contact the division of Oil, Gas and Mining at 801-538-5291.

The reports for the referenced Mine(s) need to be completed and returned to this office by January 31, 2006.

| Mine Status | Mine Number | Mine Name | Contact Person |
|-------------|-------------|----------------------|------------------|
| ACTIVE | S270026 | BLACK JEWELL PROJECT | RUSSELL C FELLER |
| ✓ INACTIVE | S450032 | ALLEN CLAIMS PROJECT | RUSSELL C FELLER |
| ACTIVE | S230027 | HONEY ONYX | RUSSELL C FELLER |
| ACTIVE | S270027 | BLACK HILLS | RUSSELL C FELLER |
| ACTIVE | S030044 | GLACIAL GREEN 1 | RUSSELL C FELLER |

Reports are required regardless of annual mine activity, unless you have received a written waiver or formal release from reclamation obligations from the Division.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

Susan M. White
Mine Program Coordinator
Minerals Reclamation Program